


**CITY OF SAN DIEGO
M E M O R A N D U M**

DATE: April 26, 2006
TO: Lani Lutar, President, San Diego County Taxpayers Association
FROM: Jay M. Goldstone, Chief Financial Officer 
SUBJECT: Fiscal Year 2007 Proposed Budget Questions

The following is in response to your email of April 18, 2006, regarding the Fiscal Year 2007 Proposed Budget.

QUESTION: Can you explain what FMIS is?

RESPONSE: FMIS is an automated information system that records proposed expenditures and revenues for all City departments. The information is used to prepare the City's Annual Budget and administer budgets throughout the fiscal year.

QUESTION: How might the public access supporting detailed budget information in FMIS?

RESPONSE: Due to security reasons, the public is not able to access FMIS. In addition, operating and navigating through the system requires training. However, any person may request budget detail information from FMIS at anytime. Should you require budget detail from FMIS, feel free to contact me.

QUESTION: Why the IBA is listed under "Other Department Adjustments" and not under "Restructure/Transparency." Is this an error? Explain

RESPONSE: Definitions of the budget change categories:

Restructuring

The restructure was done to create greater efficiency within the City and of City services. There were no position adds as a result of the restructuring, only position transfers.

Transparencies

Budget Transparency reflects a different approach of appropriately budgeting all expenses and revenues in the General Fund. Previously, the budget document reflected net General Fund revenues after all other allocations were made.

The budgetary addition of the Office of the Independent Budget Analyst (IBA) fits neither the "restructure" nor the "transparency" categories as defined above. The Office of the IBA was established by a City Council action due to the recommendation by the Committee on Strong Mayor Transition. This was done after the FY 2006 Final Budget was in place. City Council identified new positions and the IBA staff came on board in

mid FY 2006. The Office of the IBA is housed within the Council Administration budget. Council has authorized the Auditor and Comptroller to transfer funds to the Council Administration budget in FY 2006 to cover the costs. The Office of the IBA is being newly budgeted in FY 2007 as an activity within the Council Administration Department. Thus it is an adjustment to the existing Council Administration budget.

QUESTION: Personnel Expense; does this include benefits? If this line item only includes a portion of benefits, can you please let me know where the additional benefit expenses are identified in the budget and approximately what percent are reflected in the PE category?

RESPONSE: The Personnel Expense (PE) category includes salaries and wages as well as all fringe benefits.

QUESTION: How does the Office of Ethics and Integrity differ from the Ethics Commission?

RESPONSE: The Office of Ethics and Integrity ("OEI") is charged with providing programs and training for all employees who work for the City. This includes ethics training which provides information to employees concerning relevant ethics related state/local law/regulations/policies and procedures, such as the [Code of Ethics](#) (PDF), [Conflict of Interest and Employee Conduct](#) (PDF). This training is designed to improve each employee's understanding of ethics with the purpose of strengthening his/her ethical decision-making skills.

OEI also maintains the Employee Ethics Hotline where any employee may confidentially report unethical behavior, in addition to waste, fraud, and abuse 24 hours a day. OEI reviews, refers (including to the Ethics Commission where appropriate), and monitors each complaint until its resolution/disposition. It is responsible for developing ethics educational/informational resources, such as a comprehensive Employee Code of Conduct Handbook, for all City employees.

Ethics Commission

The City of San Diego Ethics Commission has the responsibility of monitoring, administering and enforcing the City's governmental ethics laws, proposing governmental ethics law reforms, conducting audits and investigations, referring violations to appropriate law enforcement agencies, and advising and educating City officials and the public about governmental ethics laws. Governmental ethics laws include the [Ethics Ordinance](#) (PDF), as well as the [Election Campaign Control Ordinance](#) (PDF) and the [Municipal Lobbying Ordinance](#) (PDF). The Commission accepts complaints regarding alleged violations of laws within its jurisdiction, and protects individuals from retaliation for reporting violations.

The Ethics Commission has no jurisdiction over classified City employees nor do the provisions of the Ethics Ordinance regulate the activities of classified City employees.

The Ethics Commission currently provides mandatory training on the Ethics Ordinance for elected officials and their staffs, members of City boards and commissions, and all *unclassified* City managers. This training is not offered to employees in the classified service because the provisions of the Ethics Ordinance do not apply to these employees."

The aforementioned is an excerpt from the Office of Ethics and Integrity website located at: <http://www.sandiego.gov/oei/about/index.shtml>

QUESTION: Where did the funding for the Office of Ethics and Integrity come from?

RESPONSE: The Office of Ethics and Integrity Fiscal Year 2007 Proposed Budget includes 7.00 positions for a personnel expense (PE) of \$791,380 and non-personnel expense (NPE) of \$379,492 for a total combined budget of \$1,170,872.

The Office was formed by consolidating positions and programs that were budgeted separately in FY 2006. These are:

- 1) The Human Relations Commission ("HRC") – In FY 2006, this was a program budgeted in the General Fund under Citywide Program Expenditures (Dept. 601). It included 2.00 Positions.
1.00 Executive Director
1.00 Executive Secretary
- 2) The Citizen's Review Board of Police Practices ("CRBPP") – In FY 2006, this was a program budgeted in the General Fund under Citywide Program Expenditures (Dept. 601). It included 2.00 positions.
1.00 Executive Director
1.00 Executive Secretary
- 3) The Diversity Program – In FY 2006, the Diversity Program (Dept. 5067) was budgeted as a Special Revenue Fund. It included 4.0 positions, 3 of which transferred to OEI (per below):
1.00 Organizational Effectiveness Specialist III
1.00 Organizational Effectiveness Specialist II
1.00 Administrative Aide I

Note: 1.00 Associate Management Analyst position transferred to the Business Office

- 4) The amount of \$13,000 for the Ethics Hotline and one position was transferred from the Office of the Auditor & Comptroller to become the Ethics Audit and Compliance Specialist.
1.00 Accountant III

QUESTION: What is the budget structure for the Office of Ethics and Integrity?

RESPONSE: In the Fiscal Year 2007 Proposed Budget, the above positions and programs will be transferred into the respective activities under the one Office of Ethics and Integrity (Department 300):

Activity 1000 – City Policy Process Review

Activity 1001 – Ethics Audit
Activity 2000 – Diversity
Activity 3000 – Human Relations Commission
Activity 4000 – Citizen's Review Board of Police Practices

Some new elements and enhancements were added to the above activities from what was budgeted in Fiscal Year 2006. These are:

- 1) An Assistant Deputy Chief position was added to support the City Policy Process Review and Diversity activities. This position is being funded by the vacancy savings of two classified positions that transferred with the Diversity budget (an Administrative Aide I and an Organizational Effectiveness Specialist II).
- 2) Funding of \$75,000 for Ethics & Diversity training programs was newly added.
- 3) A part-time intern was added to Human Relations Commission activity for a cost of \$15,000.

Non-personnel expense of \$25,000 will be added to the Citizen's Review Board of Police Practices to cover the cost of administrative hearings. The hearings are statutorily mandated and the costs have to be incurred. The cost for these hearing were not included in prior years' budgets which caused this activity to go over the budget each time and this situation is being corrected.

The above was accidentally left out of the proposed budget document and will be applied as part of corrections to be made to the FY 2007 final budget. Corrections will be identified in a supplemental document to be published after the Office of the Independent Budget Analyst reviews the FY 2007 proposed budget.

Non-personnel accounts for office supplies and equipment received minor enhancements. Non-discretionary costs such as IT, phones, electricity, and security services were increased according to the new FY 2007 rates.

Please note: the positions of Deputy Chief of Ethics and Integrity and the Executive Secretary are budgeted in the Chief Operating Office (Department 040) as part of Executive Management. These have been converted from positions that previously existed elsewhere in the City in FY 2006:

1.00 Assistant Executive Services Director (from Mayor, Dept 10) 1.00 Deputy Chief of OEI

1.00 Executive Secretary (supplemental position from Special Projects, Department 80, reimbursed by Ballpark Fund) 1.00 Executive Secretary of OIE, will be funded via General Fund in FY 2007.

In prior years, the Diversity Program charged departments a fee for training services provided. However, revenues generated have not been sufficient to cover the full cost of this program and General Fund money has been required to support it.

In Fiscal Year 2007 the Office of Ethics and Integrity and all of its activities, including the Diversity Program, will be part of the General Fund. OEI will become part of the General Government Services Billing ("GGSB") that the Auditor's Office applies to all departments to cover the costs of activities that support the City as a whole.

QUESTION: Page 56 \$1M is budgeted for resurfacing of streets and \$250K for sidewalks; this seems low. Are there additional funds allocated elsewhere in the budget

Attachment A is a detailed report on the CIP projects for Streets and Traffic that includes the amount of each project by Council District.

QUESTION: On page 58 of the Proposed Budget, the proposed CIP budget for Water is contingent on obtaining private financing and rate increases. What will be cut if private financing/rate increases are not approved?

Response: The projects listed on the page 58 that would go forward without private financing/rate increases would be:

- \$1.7m Alvarado Water Treatment Plant Expansion
- \$23.2m Miramar Water Treatment Plant
- \$600k of the \$1.0m for Seismic Upgrades
- \$1.2M of \$2M for Annual Allocation/Pooled Contingency (not listed on Page 58)
- \$468K for Torrey Pines Road/La Jolla Blvd Water Main Replacement (not listed on Page 58)

QUESTION: Page 30 (505) new positions, (430) supplemental Are there really 75 new positions in FY07? Is there any hiring freeze did not apply to these 75 positions?

RESPONSE: There Fiscal Year 2007 Proposed Budget reflects an increase of 503.38 full-time equivalent positions. Supplemental positions, not reflected in prior year budgets, account for 429.06 full-time equivalents. The remaining 74.32 full-time equivalent positions were added for a variety of reasons reflected in the table below:

	Full-Time Equivalent Positions
Fiscal Year 2006 Budget	10,857.77
Supplemental Positions	429.06
Reductions	(4.65)
Restoration of Community Service Officers	30.00
College-Rolando, Otay Nestor, and Serra Mesa-Kearny Mesa Libraries	11.40
Temporary Fire Station 45	9.73
Storm Water Pollution Prevention	7.00
Golf Course	4.00
Concourse and Parking Garage (previously managed by Convention Center)	3.50
Public Safety Communications Project	3.00
Street Sweeping Parking Enforcement	3.00

Citywide Information Technology Project Management	2.00
Maintenance Assessment Districts	1.34
Gang Commission	1.00
Metropolitan Wastewater Department Fiscal Review	1.00
Public Art Program	1.00
Refuse Collection	1.00
Fiscal Year 2007 Budget	11,361.15

Thank you for your interest in the FY 2007 Proposed Budget. Should you have any questions regarding the aforementioned, feel free to contact me.

Sincerely,

Jay M. Goldstone
Chief Financial Officer

Attachment

cc: Mayor Jerry Sanders
City Council Members
Ronne Froman, Chief Operating Officer
Mary Lewis, Financial Management Director

Fiscal Year 2007

Streets and Traffic Proposed CIP Project

CIP Number	CIP Project Description	Council District	FY07 Amount
522930	Street Lights - Citywide	9	\$200,000
523380	Beach Access Reconstruction	1	\$15,000
523380	Beach Access Reconstruction	2	\$15,000
523720	Genesee Avenue - Widen Interstate 5 Crossing	1	\$1,000,000
523890	Camino Ruiz - Gold Coast Drive to Jade Coast and Miralani Drive to Miramar Rc	5	\$17,000
524010	Camino Ruiz, Santaluz to Camino del Norte - Street Improvements	1	\$1,891,896
524020	Camino Ruiz, Santaluz to Resort Street - Wildlife Crossing	1	\$5,499,920
524040	Camino Ruiz, San Dieguito Road to Carmel Valley Road - Wildlife Crossing	1	\$5,959,840
524790	El Camino Real - San Dieguito Road to Via de la Valle	1	\$8,300,000
525170	Carmel Valley Road - 300 Feet East of Portofino Drive to Del Mar	1	\$1,030,000
525190	Bridge Rails - Citywide	9	\$400,000
525540	First Avenue Bridge over Maple Canyon - Rehabilitation	3	\$4,511,570
525550	Georgia Street Bridge/University Avenue Separation Replacement	3	\$431,000
525880	Streamview Drive Improvement - 54th Street to College Avenue	7	\$250,000
525920	Aldine Drive and Fairmount Avenue - Slope Restoration	3	\$400,000
526160	North Torrey Pines Road - Genesee Avenue to Torrey Pines Science Park	1	\$75,250
526400	Palm Avenue/Interstate 805 Interchange	8	\$4,950,000
526540	Lisbon Street - Imperial Avenue to 217 Feet East of 71st Street	4	\$45,000
526640	Debt Service for TransNet Bond Funded Projects	9	\$2,818,423
526760	Mira Sorrento Place - Scranton Road to Vista Sorrento Parkway	5	\$400,000
526830	Debt Service for TransNet Commercial Paper Funded Projects	9	\$10,757,345
526970	State Route 905	8	\$4,000,000
527120	Del Mar Mesa Road - Carmel Country Road to Carmel Mountain Road	1	\$1,059,986
527130	Alvarado Canyon Road Realignment	7	\$450,000
527150	Sidewalks - Citywide	9	\$350,000
527170	Bird Rock Coastal Traffic Flow Improvements	1	\$1,000,000
527190	Mission Beach Bulkhead Preservation	2	\$100,000
527210	Nobel Drive - Lebon Drive to Regents Road and Genesee Ave to Town Center Dr	1	\$400,000
527230	Camino Santa Fe - Del Mar Mesa Road to State Route 56	1	\$2,532,500
527390	Del Mar Heights Road - East of Old Carmel Valley Road	1	\$2,000,000
527430	Euclid Avenue Corridor Improvements	3	\$100,000
527430	Euclid Avenue Corridor Improvements	7	\$100,000
527470	Carmel Valley Road - Street A to Neighborhood Parkway	1	\$1,500,000
527630	Skyline Drive Median & Parkway Improvements	4	\$200,000
527640	Palm Avenue Roadway Improvements	8	\$250,000
527650	Sorrento Valley Road & Interstate 5 Interchange	1	\$160,000
527660	University Avenue Mobility Project	3	\$400,000
530370	Earthquake Restrainers for Bridges	9	\$290,000
530381	North Harbor Drive Bridge over Navy Estuary	2	\$12,830,864
530440	Regents Road Bridge	1	\$800,000
530610	Structural retrofit of Laurel Street (Cabrillo) Bridge	3	\$144,000
540120	Shoal Creek Pedestrian Bridge	5	\$480,000
580070	Overhead/Other City Costs for Streets Projects	9	\$75,000
581270	State Route 15 Bikeway	3	\$400,000
581400	Bayshore Bikeway	8	\$3,000,000
581470	Rose Creek Bikeway	2	\$125,000
581470	Rose Creek Bikeway	6	\$125,000
581560	Ocean Beach Bike Path/Hotel Circle North Bikeway Design	2	\$25,000
581560	Ocean Beach Bike Path/Hotel Circle North Bikeway Design	6	\$25,000
581710	State Route 56 Bike Interchanges	1	\$973,554
590010	Resurfacing of City Streets	9	\$1,000,000
610010	Traffic Control/Calming Measures	9	\$300,000
680060	Guard Rails	9	\$250,000
680100	Traffic Signals - Citywide	9	\$340,000
680110	Traffic Signals - Modifications/Modernization	9	\$600,000
680170	School Traffic Safety Improvements	9	\$200,000
680200	Pacific Highlands Ranch Traffic Signals	1	\$440,000

\$85,993,148